

**The Great Socialist People's Libyan Arab Jamahiriya  
Central Bank of Libya**

**INVITATION TO SUBMIT AN EXPRESSION OF INTEREST**

**To Set Up a Subsidiary in Libya**

**Interested Banks are invited to submit Expression of Interest by March 30, 2010**

**Establishing a Subsidiary**

An important part of Libya's financial sector reform strategy is to allow foreign banks to operate in the country. In this context, the Central Bank of Libya (the "Central Bank") will issue two licenses to foreign banks who would have an ownership of up to 49% in the new banks with full management control. The remaining 51% will be owned by domestic investors. The Central Bank will be handling all issues related to the issuance of the two licenses and will mobilize domestic investors.

**Transformation of the Libyan Economy**

The transformation of the Libyan economy is ongoing and gaining momentum. The entire economy is being restructured and there is wide spread public support for the reform program. The prudent macroeconomic and foreign exchange reserve management has left the economy unimpacted by the global financial turmoil. Non-oil economic growth has been strong and averaged about 9 percent annually since 2005. Libya's external assets surpassed \$135 billion at end-2009.

**Expression of Interest**

This invitation applies only to banks that meet the three criteria below. An "Information Memorandum" which discusses the Libyan banking sector and macroeconomic developments could be found on the Central Bank website ([www.cbl.gov.ly](http://www.cbl.gov.ly)).

In order to pre-qualify, a potential foreign bank must meet the following criteria:

1. Tier 1 capital more than USD 2.0 billion as of the date of the last audited financial statement;
2. Credit rating of at least (i) Baa2 by Moody's or (ii) BBB by S&P or Fitch; and
3. The interested banks should have well established international presence.

The Central Bank will review the Expressions of Interest and establish a list of pre-qualified banks that will be invited to participate in the next phase of the process.

**Proposed Timetable**

Expressions of Interest should be sent by March 30, 2010. Pre-qualified banks will be provided with an Application Package by April 15, 2010 which will have to be completed and submitted to the Central Bank by June 15, 2010.

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